

Agenda Item #8



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Commission Members

From: Vincent W. Dinan, Staff Auditor

Date: July 9, 2007

Subject: July, 2007 Candidate Audit Report Submittals

Materials submitted with the July, 2007 Commission packet include the nine candidate audit reports listed below.

Candidate Name	District	Disposition
Rep. Barbara E. Merrill	2006 Independent Gubernatorial Candidate	See Commission Agenda
Sen. Joseph C. Perry	SD 32	See Commission Agenda
Joseph R. Hanslip	SD 3	See Commission Agenda
Anthony V. Cilluffo	HD 147	See Commission Agenda
John Cushing	HD 134	See Commission Agenda
Sen. Beth Edmonds	SD 10	No Exceptions
Rep. Randy Hotham	HD 93	No Exceptions
Rep. Peter Edgecomb	HD 4	No Exceptions
Rep. Jill Conover	HD 78	No Exceptions

Audit Findings of "No Exceptions Noted" are submitted for information and file, and no additional action is required by the Commission.



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May 24, 2007

Audit Report No. 2006-SEN011

**Candidate: Joseph R. Hanslip
Senate District 3**

Background

Joseph R. Hanslip was a candidate for the Maine State Senate, District 3, in the 2006 general election. Mr. Hanslip was certified by the Commission as an MCEA candidate on April 21, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

Audit Scope

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

- Seed Money
- Six Day Pre-Primary
- 42 Day Post-Primary
- Six Day Pre-General
- 42 Day Post-General

Transactions subject to review were those recorded in the candidate's accounting records and reported to the Commission. The audit's purpose was to determine if the identified receipts and payments (1) were properly approved by the candidate or his authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable disbursement documentation; and (3) complied in all material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

Audit Findings and Recommendations

1. The Hanslip campaign's expenditures exceeded the allowable maximum by \$43.61. The errors included three expenditures that were reported in duplicate and one expenditure that went unreported. The details of the transactions are explained in Exhibit I to this report. *Criteria:* The MCEA requires participating candidates to report campaign expenditures according to procedures developed by the Commission. (21-A M.R.S.A. §1125(12)). The MCEA also permits the Commission to assess a penalty of up to \$10,000 for any violation of the MCEA.
2. Mr. Hanslip failed to reimburse himself for three reported expenditures totaling \$34.88 (see Exhibit I). Failure to reimburse in effect created three in-kind contributions. *Criterion:* The MCEA prohibits candidates from accepting in-kind contributions after they have qualified for public funding (21-A M.R.S.A. §1125 (6)).

Campaign Audit
Candidate: Joseph R. Hanslip
Page 2

3. Mr. Hanslip deposited \$30.00 to open his campaign bank account. The deposit was never reported as a contribution, and since it exceeded the \$1,500 maximum that Mr. Hanslip reported, it is considered to be unallowable. Criterion: the MCEA requires all contributions to be disclosed in campaign finance reports and prohibits candidates from accepting contributions other than seed money (21-A M.R.S.A. sections 1122 (9), 1125 (6), and 1125 (12)).

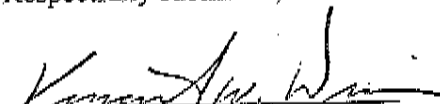
Recommendations: the Commission staff recommends that:

- The Commission finds Mr. Hanslip in technical violation of the referenced sections of the Maine Clean Election Act. Mr. Hanslip and his treasurer were extremely cooperative in providing information and documentation regarding their campaign finances, and the staff believes that since the violations are extremely small in terms of total campaign expenditures, that no penalty should be assessed.
- Mr. Hanslip be directed to amend all of his campaign finance reports to correct the errors discussed in (1) through (3) above.

Candidate's Comments


Comments of Faith D. Ballenger, Campaign Treasurer, are attached.

Respectfully submitted,



Vincent W. Dinan - Staff Auditor

Approved:



Jonathan Wayne - Executive Director

Exhibit I
Campaign Audit
Joseph R. Hanslip

Mis-reported Expenditures

Ending Balance per Line 8, 42 Day Post-General Report	\$89.16
Adjustments:	
Expenditure Adjustments:	
Duplicate Expenditure: 7/26/06 Burpee Signs	\$84.00
Duplicate Expenditure: 10/30/06 USPS	\$78.00
Duplicate Expenditure: 10/30/06 Badge-A-Minute	\$30.83
Balance Subtotal	<u>\$281.99</u>
Unreported: 10/6/06 Mainley Newspapers	<u>(\$325.60)</u>
Adjusted Line 8 of 42-Day Post-General Report	<u><u>(\$43.61)</u></u>
Reconciliation to Campaign Bank Balance:	
Adjusted Line 8 Balance	(\$43.61)
Add:	
Unreimbursed contribution to open bank account	\$30.00
Unreimbursed expenditures from 42 Day Post-Primary Report	<u>\$34.88</u>
Campaign Bank Balance at December 19, 2006	<u><u>\$21.27</u></u>

Attachment

Dinan, Vincent W

From: Boisvert, Anissa
Sent: Wednesday, May 23, 2007 9:56 AM
To: Dinan, Vincent W
Subject: FW: Hanslip for Senate Campaign

From: Faith D. Ballenger [mailto:faithb@metrocast.net]
Sent: Tuesday, May 22, 2007 5:09 PM
To: Boisvert, Anissa
Subject: Hanslip for Senate Campaign

TO: Anissa Boisvert/Vincent W. Dinan

FROM: Faith D. Ballenger

DATE: May 22, 2007

SUBJECT: Hanslip for Senate

Thank you for your response to our error in reporting expenses this past year. These errors will be corrected before days end.

With reference to the \$30.00 balance in the checking account, from previous campaigns, Mr. Hanslip really thought it was his way of keeping a checking account active and not a donation. This was never thought to be a donation to his campaign. Lesson well learned.

If any further information is required, please let me know.

Again, many thanks for your patience and understanding. It is appreciated more than you will ever know.

NOTE: I have just finished making adjustments per exhibit 1. I have the balance of (\$43.61) on Line 8. Now I am at a stand still - I do not know how to "Adjust Line 8 Balance". I will be calling tomorrow morning for HELP!!

5/24/2007



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June 27, 2007

Audit Report No. 2006-HR038

**Candidate: John Cushing
House District 134**

Background

John Cushing was a candidate for the Maine House of Representatives, District 134, in the 2006 general election. Mr. Cushing was certified by the Commission as an MCEA candidate on April 21, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

Audit Scope

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

- Seed Money
- Six Day Pre-Primary
- 42 Day Post-Primary
- Six Day Pre-General
- 42 Day Post-General

Transactions subject to review were those recorded in the candidate's accounting records and reported to the Commission. The audit's purpose was to determine if the identified receipts and payments (1) were properly approved by the candidate or his authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable disbursement documentation; and (3) complied in all material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

Audit Findings and Recommendations

Finding No. 1 – Unreported Seed Money Expenditure: during the candidate's qualifying period, the Cushing campaign paid \$22.89 for checks to use in the campaign bank account; however, they neglected to report the expenditure to the Commission on the Seed Money Report.

Criteria: 21-A M.R.S.A. §1125 (12) "...participating and certified candidates shall report any money collected, all expenditures, obligations and related activities to the commission according to procedures developed by the commission."

Finding No. 2 – Expenditures in Excess of the Maximum Allowable Amount: A series of minor reporting errors by the Cushing campaign caused the campaign to spend, when aggregated over the duration of the campaign, \$18.68 in excess of the MCEA allowable maximum. The details of the transactions are outlined in Exhibit I.

Campaign Audit
Candidate: John Cushing
Page 2

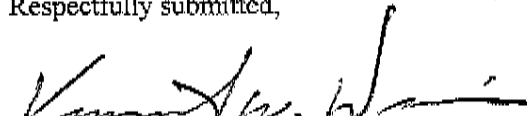
Criteria: 21-A M.R.S.A. §1016, "each treasurer shall keep detailed records of all contributions received and of each expenditure that the treasurer or candidate makes or authorizes. When reporting contributions and expenditures to the commission ..., the treasurer shall certify the completeness and accuracy of the information reported by that treasurer." 21-A M.R.S.A. §1125(6), "After certification, a candidate must limit the candidate's campaign expenditures and obligations, including outstanding obligations, to the revenues distributed to the candidate from the fund and may not accept any contributions unless specifically authorized by the commission. 21-A M.R.S.A. §1125 (12) "...participating and certified candidates shall report any money collected, all expenditures, obligations and related activities to the commission according to procedures developed by the commission."

Recommendations: The Commission staff recommends that the Commission finds Mr. Cushing in violation of the referenced sections of the Maine Clean Election Act; however, since the errors were relatively minor in nature and appear to have been unintentional, the staff recommends that no penalty be assessed. The staff will work with Mr. Cushing to amend his campaign finance reports.

Candidate's Comments

Mr. Cushing's comments are attached.

Respectfully submitted,


Vincent W. Dinan - Staff Auditor

Approved:

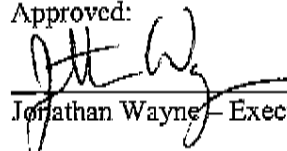

Jonathan Wayne - Executive Director

EXHIBIT I**JOHN CUSHING****Audit of 2006 Campaign Finance Reports****Ending Balance Reconciliation Between Reports and Bank Account**

DATE	TRANSACTION	AMOUNT
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42 Day Post-General Report:

12/19/2006	Ending Balance	\$1.21
10/25/2006	Amt. of over-stated payment - Z. Landry	\$3.00
3/15/2006	Unreported payment for bank checks	(\$22.89)
12/19/2006	Adj. Ending Balance	<u>(\$18.68)</u>

J. Cushing Campaign Bank Statement:

4/30/2007	Outstanding balance	102.44
3/23/2006	Unreimbursed seed money payment - POS	(94.50)
3/22/2006	Unreimbursed payment to Staples - OTH	(26.44)
4/30/2007	Unreconciled difference	(0.18)
		<u>(18.68)</u>

ATTACHMENT

Dinan, Vincent W

From: CushingJW@aol.com
Sent: Friday, June 15, 2007 8:50 AM
To: Dinan, Vincent W
Subject: Re: Audit of Campaign Finance Reports-2

Hello Vincent,

I have received your latter and agree with your findings. Thank you for your hard work.

Regards,
John Cushing
77 Burnham Road
Saco, ME 04072
Tel. 741-2443
Cell 776-0858

See what's free at AOL.com.



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June 15, 2007

Audit Report No. 2006-HR034

**Candidate: Anthony V. Cilluffo
House District 147**

Background

Anthony V. Cilluffo was a candidate for the Maine House of Representatives, District 147, in the 2006 general election. Mr. Cilluffo was certified by the Commission as a Maine Clean Election Act (MCEA) candidate on April 13, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

Audit Scope

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

- Seed Money
- Six Day Pre-Primary
- 42 Day Post-Primary
- Six Day Pre-General
- 42 Day Post-General

Transactions subject to review were those recorded in the candidate's accounting records and reported to the Commission. The audit's purpose was to determine if the identified receipts and payments (1) were properly approved by the candidate or his authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable disbursement documentation; and (3) complied in all material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

Audit Findings and Recommendations

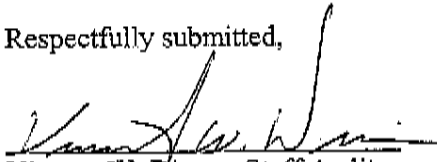
1. The Cilluffo campaign returned \$2,624.47 in unused MCEA funds to the Commission at the end of the 2006 general election period. The audit disclosed that this amount constituted a \$108.99 overpayment because the candidate reported three expenditures he made out-of-pocket during the election season, and inadvertently failed to reimburse himself. The correct amount that Mr. Cilluffo should have returned to the Commission was \$2,515.48. *Criterion:* The MCEA requires participating candidates to report campaign expenditures according to procedures developed by the Commission. (21-A M.R.S.A. §1125(12)). *Recommendation:* The Commission staff determined there was no violation, and will take action to refund the overpayment to Mr. Cilluffo. In the staff's opinion, no further action is warranted.

Campaign Audit
Candidate: Anthony V. Cilluffo
Page 2

Candidate's Comments

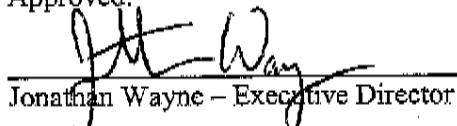
The candidate did not comment on the audit.

Respectfully submitted,



Vincent W. Dinan - Staff Auditor

Approved:



Jonathan Wayne - Executive Director



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May 14, 2007

Audit Report No. 2006-SEN012

**Candidate: Senator Beth Edmonds
Senate District 10**

Background

Senator Beth Edmonds, President of the Maine State Senate, ran successfully for re-election in Senate District 10 in the 2006 general election. Sen. Edmonds was certified by the Commission as an MCEA candidate on April 20, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

Audit Scope

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

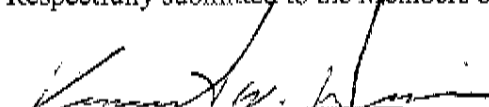
- Seed Money
- Six Day Pre-Primary
- 42 Day Post-Primary
- Six Day Pre-General
- 42 Day Post-General

Transactions subject to review were those recorded in the candidate's accounting records and reported to the Commission. The audit's purpose was to determine if the identified receipts and payments (1) were properly approved by the candidate or her authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable disbursement documentation; and (3) complied in all material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

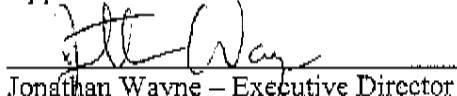
Audit Findings and Recommendations

No exceptions were noted.

Respectfully submitted to the Members of the Commission for information and file.


Vincent W. Dinan - Staff Auditor

Approved:


Jonathan Wayne - Executive Director

OFFICE LOCATED AT: 242 STATE STREET, AUGUSTA, MAINE
WEBSITE: WWW.MAINE.GOV/ETHICS



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May 17, 2007

Audit Report No. 2006-HR037

**Candidate: Representative Randy E. Hotham
House District 93**

Background

Representative Randy E. Hotham was re-elected to the Maine House of Representatives, District 93, in the 2006 general election. Rep. Hotham was certified by the Commission as an MCEA candidate on April 21, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

Audit Scope

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

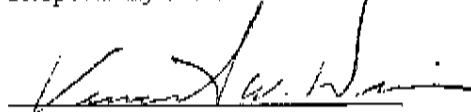
- Seed Money
- Six Day Pre-Primary
- 42 Day Post-Primary
- Six Day Pre-General
- 42 Day Post-General

Transactions subject to review were those recorded in the candidate's accounting records and reported to the Commission. The audit's purpose was to determine if the identified receipts and payments (1) were properly approved by the candidate or his authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable disbursement documentation; and (3) complied in all material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

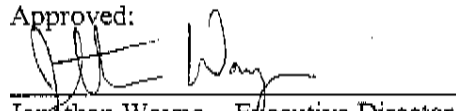
Audit Findings and Recommendations

No exceptions were noted.

Respectfully submitted to the Members of the Commission for information and file.


Vincent W. Dinan - Staff Auditor

Approved:


Jonathan Wayne - Executive Director

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May 24, 2007

Audit Report No. 2006-HR035

**Candidate: Representative Peter Edgecomb
House District 4**

Background

Representative Peter Edgecomb was re-elected to the Maine House of Representatives, District 4, in the 2006 general election. Rep. Edgecomb was certified by the Commission as an MCEA candidate on March 7, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

Audit Scope

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

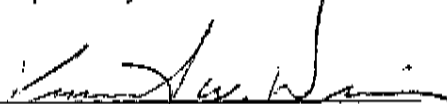
- Seed Money
- Six Day Pre-Primary
- 42 Day Post-Primary
- Six Day Pre-General
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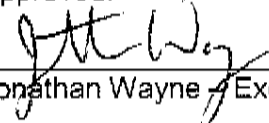
Audit Findings and Recommendations

No exceptions were noted.

Respectfully submitted to the Members of the Commission for information and file.


Vincent W. Dinan - Staff Auditor

Approved:


Jonathan Wayne - Executive Director

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May 29, 2007

Audit Report No. 2006-HR036

**Candidate: Representative Jill M. Conover
House District 78**

Background

Representative Jill M. Conover was elected to the Maine House of Representatives, District 78, in the 2006 general election. Rep. Conover was certified by the Commission as an MCEA candidate on April 13, 2006. MCEA candidates are required under the Act to submit reports of their receipts, expenditures, outstanding campaign debt, and equipment purchases and dispositions for specified periods during the election cycle.

Audit Scope

Examination of selected candidate contribution and expenditure transactions occurring during the following campaign reporting periods:

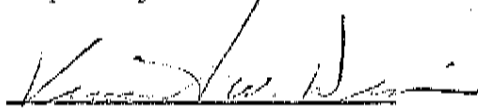
- Seed Money
- Six Day Pre-Primary
- 42 Day Post-Primary
- Six Day Pre-General
- 42 Day Post-General

Transactions subject to review were those recorded in the candidate's accounting records and reported to the Commission. The audit's purpose was to determine if the identified receipts and payments (1) were properly approved by the candidate or her authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable disbursement documentation; and (3) complied in all material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

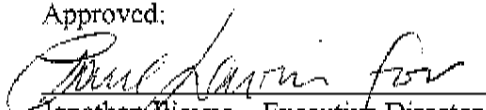
Audit Findings and Recommendations

No exceptions were noted.

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Vincent W. Dinan - Staff Auditor

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